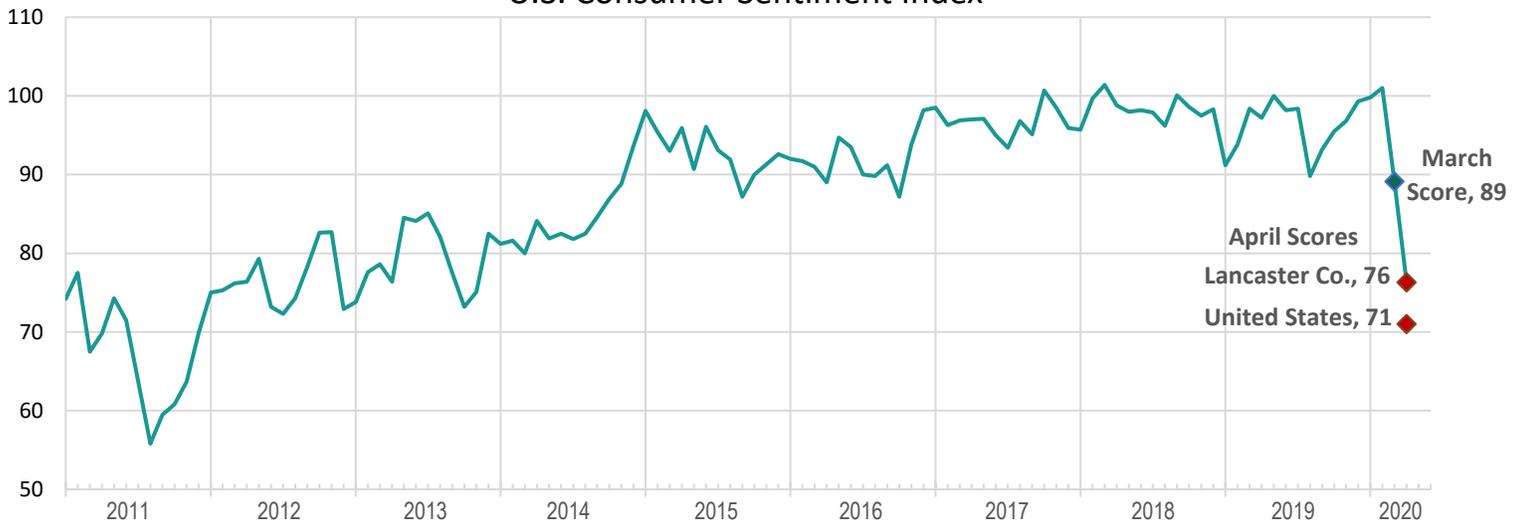




# CONSUMER SENTIMENT: An Early Read on the Economic Outlook of Lancaster County Residents

U.S. Consumer Sentiment Index



Consumer confidence in Lancaster County registered a low that is comparable to the most recent national estimate. Early estimates of national consumer sentiment fell 18 points from 89 in March to 71 in April. Lancaster County’s score was 76, just slightly higher than the nation, but still at levels last seen in the years following the Great Recession.

The Center for Regional Analysis partnered with the LNP Media Group to launch a Lancaster-based poll of people’s confidence and expectations about the economy.

Modeled on a monthly national survey conducted by the University of Michigan, the consumer sentiment index acts as a “real-time” barometer on how consumers are feeling about their current and future financial conditions, as well as where the economy – or business conditions – is headed over the near and medium terms. This indicator is important because

confidence in the economy and in household finances influences decisions on consumer spending (which makes up nearly 70% of the national economy).

The Lancaster poll ran from April 1 to April 7, just two days after Governor Wolf added Lancaster County to the Stay at Home Order. During this week, the information flow on the economic impacts of managing the coronavirus outbreak increased. Unemployment claims surged. Over 283,000 initial unemployment claims were filed in PA the week ending April 4<sup>th</sup>; Lancaster County had around 8,500 claims.

Despite the sharp economic contraction, survey responses show Lancaster residents appeared to be holding to beliefs of an economic recovery in the County. When asked about business conditions over the next 12 months, nearly 40% of respondents expect bad times. However, when asked what conditions will be like in the next five years, only 7% expect bad times.

*The Center for Regional Analysis and the LNP Media Group will continue conducting this consumer sentiment poll every month. For questions, contact CRA@edclancaster.com.*